Table 1

PROPOSED "MENU OF OPTIONS"

GUIDELINES FOR STATES TO IMPLEMENT SECTIONS 251 AND 252 OF THE 1996 FEDERAL TELECOMMUNICATIONS ACT

Issue	State Options	FCC Actions to Support State Actions and to Promote Competition
Interconnection Points of Interconnection Types of Interconnection Terms and Conditions	1) Detailed Tariffs 2) A "Preferred Outcome" negotiated approach (i.e., California)	Develop standards which states can use as guides in determining preferred outcomes and/or default arrangements
Unbundling	3) Default arrangements if parties fail to negotiate (i.e., New York)	
Elements to be unbundled	States may expand upon minimum list developed by the FCC	Develop minimum list based on Section 271 and other state initiatives
Terms and Conditions	Base on current standards for installation of comparable retail services	Work with industry to develop cross-carrier standards. These may serve as a guide in FCC's Section 271 reviews.
	 2) Industry wide standard/consensus among parties in that state 3) State may have its own investigation to determine in 9 month arbitration process 	
Prices	Determine reasonable cost measure and profit consistent with Sections 251 and 252.	
	Use standard pricing rule developed by FCC Model prices on other states that have completed TSLRIC studies and determined prices	Develop nationwide pricing rule

Issue	State Options	FCC Actions to Support State Actions and to Promote Competition
Resale Pricing	1) States may use short-term discount based on USOA accounts. LECs may subsequently file more detailed cost	Determine which USOA accounts or portions thereof are avoidable retailing costs
	studies 2) States do a bottom up study to determine service specific wholesale discount. TSLRIC/LRIC studies may be basis 3) Option 2 using TSLRIC and including some portion of contribution in avoided costs	
Reciprocal Compensation	Establish rates Bill and Keep 3) Banded Bill and Keep (e.g. form of	Develop guidelines for states that address: (1) When bill and keep provides just and reasonable compensation to all carriers: (2) Whether there are any carriers for which bill and keep is not appropriate; (3) Rate setting methodology for states

CERTIFICATE OF SERVICE

RECEIVED

FCC PARTY RESIMENT AND I hereby certify that the foregoing document has this day

Executed at San Francisco, California, this 29th day of May, 1996.

Helen M. Mickiewicz

Counsel for the People of the State of California and the Public Utilities Commission of the State of California